

# **CALIFORNIA EXPOSITION & STATE FAIR**

Minutes of the Board of Directors Meeting

Held Pursuant to Due Notice  
Friday, February 22, 2008

California Exposition & State Fair  
Administration Building Boardroom  
1600 Exposition Boulevard  
Sacramento, CA 95815

**Directors Present**

Marko Mlikotin, Chair  
Amparo Pérez-Cook, Vice Chair  
Director Gil Albiani  
Director Steve Beneto  
Director Brenda Washington Davis  
Director Corny Gallagher  
Director Marilyn Hendrickson  
Director Rex Hime  
Director Bert Johnson, M.D.  
Director Kathy Nakase

**Ex Officio Members Absent**

Assembly Member Dave Jones  
Senator Darrell Steinberg

**Staff Present**

Norbert J. Bartosik, General Manager/CEO (GM)  
Brian A. May, Deputy General Manager (DGM)  
David Elliott, Assistant General Manager, Racing (AGM)  
Erica Manuel, Assistant General Manager, Marketing & Public Relations (AGM)  
Steve Launey, Assistant General Manager, Planning & Facilities (AGM)  
Patricia Garamendi, Assistant General Manager, Programs (AGM)  
Amy Casias, Accounting & Finance Manager  
Marcia Shell, Admissions & Parking Manager  
Louise Shroder, Exposition Event Manager  
Robert Craft, Chief of Police  
Michael Bradley, Chief Bureau of Exhibits (CBE)  
Mike McCabe, Construction Manager/ADA  
Chuck Kepler, Carpenter Shop  
Carol Buchanan, Fine Arts Supervisor  
Jan Risso, Contracts Manager  
Greg Miller, Landscape Shop  
Ronne Pena, Landscape Shop  
Nancy Koch, Landscape Supervisor  
Terri Gladden, Senior Accounting Officer  
Samantha Brown, Ticket Control Supervisor  
Lynn McDaniel, Ticket Control  
Sandy Edwards, Accounts Payable  
Candice Forslund, Business Services Officer  
Julie Mull, Human Resources Manager  
Kate O'Neil, Special Events Coordinator  
Tina Novoa, Special Events Coordinator  
Vicki Conwell, Receptionist  
Randy Brink, Cal Expo Volunteer  
Linda Contreras, Recording Secretary

**Others Present\***

Jerry Blair, Deputy Attorney General (DAG)  
Walter Edwards, Representative for Senator Darrell Steinberg  
Jennifer J. Bersin, In-House Counsel, Palace Entertainment  
Mona Foster, Cultural Advisory Council  
Dick Feinberg, Sacramento Harness Association  
Michael and Valerie Hopkinson  
Larry Gladden  
Anne McCabe  
Nathan Brown

\*May not include all others present in the room or arriving late.

**1. CALL TO ORDER**

The meeting was called to order by Chair Mlikotin at 12:31 p.m.

Chair Mlikotin read the Mission Statement, Policy Statement and Public Comments Statement.

**2. ROLL CALL AND DIRECTORS ABSENT**

Roll call was taken by GM Bartosik. All Board Members were present with the exception of Director Johnson who was on his way and would be arriving shortly.

**3. INTRODUCTION OF GUESTS AND STAFF**

Introduction of Guests and Staff were made around the room.

**4. PRESENTATIONS**

- a. Presentation by the Board to Mike McCabe and Chuck Kepler from Western Fairs Association for Years of Service

Chair Mlikotin presented the Western Fairs Association's Years of Service Certificates and Pins to Cal Expo Employees, Chuck Kepler (25 years) and Mike McCabe (30 years) for their years of service at Cal Expo.

- b. Golden Bear Award Presentation by the Board to Cal Expo Employee Rick Hopkinson for Years of Service (Posthumous Recognition)

Chair Mlikotin presented a Golden Bear Award to Cal Expo Employee, Rick Hopkinson (posthumously), who passed away unexpectedly. Rick's brother and sister-in-law, Michael and Valerie Hopkinson, were honored to accept the award on Rick's behalf and thanked the Board for the presentation.

- c. Golden Bear Award Presentation by the Board to Terrie Gladden for Recognition of Years of Service and Retirement (1989-2007)

Chair Mlikotin presented a Golden Bear Award to Terrie Gladden for Recognition of Years of Service with Cal Expo and for her Retirement from Cal Expo.

Accounting & Finance Manager, Amy Casias, commented that she has known Terrie Gladden for many years as a neighbor, dear friend, and as an employee. Amy thanked Terri for all her help. Terrie is a great asset and will be missed.

Terrie Gladden thanked the Board for the presentation and commented the one thing she will miss is her Cal Expo family.

## **5. MINUTES OF MEETING**

- a. Board Meeting Minutes of January 14, 2008
- b. Board Meeting Minutes of January 25, 2008

### **Motion:**

It was moved by Director Albiani and seconded by Director Hime to approve the minutes of the January 14, 2008 and January 25, 2008 meetings as mailed. **All in favor, motion carried.**

## **6. COMMITTEE AND STAFF REPORTS**

- a. State Fair, Agriculture & Marketing Committee Reports

AGM Manuel reviewed her report included in the Board packet.

AGM Manuel reported that the MeringCarson presentation has been tabled until next month.

Director Johnson arrived at 12:50 p.m.

AGM Manuel reported to the Board that staff met with personnel at Universal Studios regarding a partnership for the State Fair pertaining to the Hollywood theme.

### **Motion:**

It was moved by Director Albiani and seconded by Director Washington Davis to approve the Sub-Committee Recommendations of Applicants for the 2008 Cultural Advisory Council. Discussion followed.

Director Albiani reported that Mona Foster of the Cultural Advisory Council expressed comments at the State Fair, Agriculture & Marketing Committee meeting regarding her concerns about the balance of ethnic and community members on the Cultural Advisory Council. **All in favor, motion carried.**

AGM Garamendi reviewed her report included in the Board packet.

CBE Bradley provided an update on his report included in the Board packet. CBE Bradley also informed the Board that the California Grape & Gourmet is scheduled on Thursday, July 10, 2008 and the Agriculturist of the Year and Golden Bear Award applications are available and due on or before Friday, March 14, 2008.

Director Albiani reported that changes are being made to the State Fair Gala format to make the event more profitable.

CBE Bradley reported that 2007 Gala lost \$30,000. GM Bartosik stated that staff is working with the Agriculture Advisory Council and the Friends of the Fair to turn this around. The Friends of the Fair absorb the loss for the event.

b. Operations & Planning Committee

Director Nakase reviewed the security surveillance study for California Exposition & State Fair by Catalyst Consulting Group, Inc. included in the Board packet.

AGM Launey reviewed the cost options on page OP 15. Work this year will focus on the walkway between the Main Gate and Main Carnival area.

Louise Shroder, Exposition Event Manager, reviewed the January Sales Report included in the Board packet. Ms. Shroder reported that discussions with a San Francisco group have been held for a second location for an Oktoberfest. Ms. Shroder reported that the deadline for applications for the State Fair Commercial & Concessions program is March 3, 2008 and a report will be provided next month.

DAG Blair reported that he has revised the Agreement included in the Board packet with Palace Entertainment legal counsel and recommends approval. A copy of the revised Agreement is attached and made part of the record.

**Motion:**

It was moved by Director Hime and seconded by Vice Chair Pérez-Cook to approve the Request from Palace Entertainment Regarding Festival Fun Parks, LLC Financing. **All in favor, motion carried.**

DAG Blair asked the Board to authorize the General Manager to sign the Estoppel. A copy of the Estoppel is attached and made part of the record.

**Motion:**

It was moved by Vice Chair Pérez-Cook and seconded by Director Hime to authorize the General Manager to sign the Estoppel. **All in favor, motion carried.**

c. Horse Racing Staff Reports

GM Bartosik reported that Sacramento Harness Association will not be able to meet the financing requirements set out by the California Horse Racing Board.

Sacramento Harness Association has reported such to the California Horse Racing Board and will result in an action by the California Horse Racing Board to rescind Sacramento Harness Association's license. Cal Expo has submitted a license application which the California Horse Racing Board is expected to

approve subject to the Board's approval of Cal Expo assuming operations of the meet.

Sacramento Harness Association General Manager, Dick Feinberg, said that Sacramento Harness Association is hopeful that it will meet all its financial obligations including the rent and reimbursables owed to Cal Expo.

Cal Expo will be negotiating a Termination and Release Agreement that will include payment of all obligations and the sale or taking possession of all Sacramento Harness Association personal property. A copy of the draft agreement is attached and made part of the record.

Director Beneto asked for an appraisal on the equipment that Sacramento Harness Association is to provide to determine fair market value.

Director Nakase commented on the situation and her disappointment that the Board has been placed in this position.

**Motion:**

It was moved by Director Johnson and seconded by Vice Chair Pérez-Cook to accept the Sub-Committee Recommendation to take over the Harness Racing Operations beginning the first week of March. **In favor: Directors Mlikotin, Pérez-Cook, Albiani, Beneto, Washington Davis, Gallagher, Hendrickson, Johnson and Nakase. Oppose: Director Hime, motion carried.**

Director Hime commented that the Board has bent over backwards for this industry and believes that this industry is not destined to survive in California. The Board cannot continue to spend millions of dollars on environmental cleanup. The Board has a responsibility to the taxpayers and fairgoers of California, the continuation of harness racing is not in the best interests of Cal Expo to continue to do so.

d. Executive Committee Report

None

## **7. FINANCIAL REPORTS**

- a. Monthly Financial Statements for December 2007
- b. Purchases/Contracts Requiring Board Notification
- c. Accounts Receivable Report

Director Gallagher reviewed the 2008 Budget Estimate and the year end Financial Statements distributed to the Board. Copies are attached and made part of the record.

**Motion:**

It was moved by Director Hime and seconded by Director Hendrickson to approve the monthly financial statements for December 2007 as mailed. **All in favor, motion carried.**

**8. CONSENT CALENDAR**

**9. CORRESPONDENCE**

**10. UNFINISHED BUSINESS**

- a. Update and Review Sub-Committee Recommendations on the Current Lease with Sacramento Harness Association

This was discussed and approved during the Horse Racing Committee Report.

**11. NEW BUSINESS**

- a. Review Request from Palace Entertainment Regarding Festival Fun Parks, LLC Financing

This was discussed and approved during the Operations Committee Report.

- b. Review for Board Approval Sub-Committee Recommendations of Applicants for the 2008 Cultural Advisory Council

This was discussed and approved during the State Fair, Agriculture & Marketing Committee Report.

- c. MeringCarson State Fair Creative Concepts Presentation

This was tabled and will be brought back to the Board next month.

**12. MATTERS OF INFORMATION**

- a. Publics' Comments

Randy Brink provided his report.



b. Directors' Comments

Director Nakase complimented staff for its ability to make adjustments as the budget changes.

At Director Albiani's suggestion, the Pledge of Allegiance will be done at the start of every Board meeting.

c. Manager's Comments

d. Next Board Meeting – Friday, March 28, 2008

e. Other, if any

**13. ADJOURNMENT**

**Motion:**

It was moved by Director Hime and seconded by Director Washington Davis to adjourn the Board meeting. **All in favor, motion carried.**

The Board meeting was adjourned at 2:33 p.m.

Exhibit A

LEGAL DESCRIPTION

THAT CERTAIN REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, DESCRIBED AS FOLLOWS:

PARCEL 1:

A PORTION OF LAND WITHIN THAT CERTAIN 563.829 ACRE TRACT OF LAND SHOWN ON THE AMENDED RECORD OF SURVEY ENTITLED "PORTION OF SECTIONS 14, 15, 66 AND 68 RANCHO DEL PASO", RECORDED IN BOOK 24 OF SURVEYS, MAP NO. 42, RECORDS OF SAID COUNTY, LYING SOUTH OF EXPOSITION BOULEVARD, AS SAID BOULEVARD IS SHOWN UPON THAT CERTAIN MAP ENTITLED "POINT WEST OFFICE PARK", RECORDED IN BOOK 98 OF MAPS, MAP NO. 14 RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE INTERSECTION OF THE CENTERLINE OF EXPOSITION BOULEVARD, A COUNTY ROAD, AND THE CENTERLINE OF RESPONSE ROAD, A COUNTY ROAD, AS SAID BOULEVARD AND ROAD ARE SHOWN ON SAID MAP OF "POINT WEST OFFICE PARK" BEARS NORTH 17° 42' 27" WEST 1,483.49 FEET TO SAID POINT OF BEGINNING, BEING THE NORTHWEST FENCE CORNER OF WATERWORLD U.S.A. AREA, AT CAL EXPO, SACRAMENTO; THENCE ALONG A FENCE SOUTH 80° 46' 52" EAST 164.56 FEET; THENCE SOUTH 05° 00' 58" WEST 9.00 FEET; THENCE SOUTH 80° 57' 35" EAST 414.06 FEET; THENCE SOUTH 09° 02' 25" WEST 46.42 FEET; THENCE SOUTH 80° 51' 48" EAST 193.51 FEET TO A CONCRETE RETAINING WALL; THENCE ALONG SAID WALL SOUTH 09° 13' 09" WEST 112.42 FEET TO A FENCE; THENCE ALONG SAID FENCE LINE THE FOLLOWING EIGHT (8) COURSES: (1) SOUTH 80° 22' 43" EAST 40.74 FEET; (2) SOUTH 09° 01' 30" WEST 72.90 FEET; (3) SOUTH 84° 15' 11" EAST 2.00 FEET; (4) SOUTH 09° 07' 40" WEST 180.18 FEET; (5) SOUTH 77° 53' 49" EAST 21.25 FEET; (6) SOUTH 04° 01' 43" WEST 3.30 FEET; (7) SOUTH 78° 55' 00" EAST 15.78 FEET; AND (8) SOUTH 08° 53' 22" WEST 43.04 FEET TO A BLOCK BUILDING; THENCE ALONG SAID BUILDING SOUTH 81° 01' 54" EAST 28.08 FEET; THENCE ALONG SAID BUILDING SOUTH 08° 34' 46" WEST 29.18 FEET TO A FENCE LINE; THENCE ALONG SAID FENCE LINE THE FOLLOWING TEN (10) COURSES: (1) SOUTH 81° 03' 05" EAST 9.85 FEET; AND (2) SOUTH 08° 03' 58" WEST 17.47 FEET, (3) NORTH 81° 37' 42" WEST 95.27 FEET, (4) NORTH 62° 51' 47" WEST 176.31 FEET, (5) NORTH 80° 37' 51" WEST 145.76 FEET, (6) SOUTH 80° 46' 19" WEST 164.06 FEET, (7) ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 122.00 FEET AND A CHORD BEARING OF SOUTH 89° 59' 32" WEST 39.10 FEET, (8) NORTH 80° 47' 15" WEST 181.52 FEET, (9) ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 37° 53' 09" WEST 102.11 FEET AND (10) NORTH 05° 00' 58" EAST 450.56 FEET TO THE POINT OF BEGINNING.

PARCEL 1A:

A 20-FOOT WIDE NON-EXCLUSIVE ROAD RIGHT OF WAY FOR INGRESS AND EGRESS, BEGINNING AT THE ABOVE-MENTIONED POINT OF BEGINNING NORTH 80° 46' 52" WEST 10.00 FEET TO A POINT IN THE CENTERLINE OF SAID 20.00-FOOT WIDE NON-EXCLUSIVE ROAD RIGHT OF WAY; THENCE ALONG THE SAID CENTERLINE OF THE 20.00-FOOT WIDE NON-EXCLUSIVE ROAD RIGHT OF WAY THE FOLLOWING TWENTY-THREE (23) COURSES: 1) SOUTH 05° 00' 58" WEST 450.56 FEET, 2) ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 85.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 37° 53' 09" EAST 115.73 FEET, 3) SOUTH 80° 47' 15" EAST 181.52 FEET, 4) ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 132.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 89° 59' 37" EAST 42.30 FEET, 5) NORTH 80° 46' 19" EAST 162.43 FEET, 6) SOUTH 80° 37' 51" EAST

142.56 FEET, 7) SOUTH 62° 51' 47" EAST 176.42 FEET, 8) SOUTH 81° 50' 58" EAST 96.94 FEET, 9) SOUTH 75° 50' 52" EAST 79.20 FEET, 10) SOUTH 80° 52' 14" EAST 904.41 FEET, 11) ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2160.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 84° 09' 08" EAST 247.28 FEET, 12) SOUTH 87° 26' 01" EAST 305.11 FEET, 13) ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 285.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 74° 54' 00" EAST 123.70 FEET, 14) SOUTH 62° 21' 59" EAST 164.38 FEET, 15) SOUTH 60° 40' 49" EAST 382.28 FEET, 16) SOUTH 63° 35' 15" EAST 209.94 FEET, 17) ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 550.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 76° 52' 32" EAST 252.83 FEET, 18) NORTH 89° 50' 11" EAST 730.81 FEET, 19) SOUTH 89° 27' 23" EAST 352.80 FEET, 20) ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 72.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 65° 09' 12" EAST 61.75 FEET, 21) NORTH 39° 45' 47" EAST 302.90 FEET, 22) ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 95.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 64° 46' 04" EAST 80.31 FEET AND 23) NORTH 89° 46' 21" EAST 145.39 FEET TO THE WEST 1/4 CORNER SECTION 66 "RANCHO DEL PASO", AS SHOWN ON THAT CERTAIN PARCEL RECORDED IN BOOK 13 OF PARCEL MAPS AT PAGE 31, FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, STATE OF CALIFORNIA, BEING ALSO THE TERMINAL POINT OF THE RIGHT OF WAY HEREIN DESCRIBED.

PARCEL 2:

ALL THOSE PORTIONS OF THAT CERTAIN 563.829 ACRE TRACT OF LAND AS SHOWN ON THAT CERTAIN AMENDED RECORD OF SURVEY ENTITLED "PORTION OF SECTIONS 14, 15, 66 AND 68 "RANCHO DEL PASO" RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, IN BOOK 24 OF SURVEYS, MAP NO. 42, FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED IN SAID 563.829 ACRE TRACT OF LAND, FROM WHICH THE NORTHEAST CORNER THEREOF BEARS THE FOLLOWING SIX (6) COURSES AND DISTANCES: 1) NORTH 09° 34' 47" WEST 124.51 FEET, 2) NORTH 80° 25' 13" EAST 170.28 FEET, 3) NORTH 77° 15' 40" EAST 439.23 FEET, 4) NORTH 74° 06' 07" EAST 108.99 FEET, 5) NORTH 75° 11' 17" EAST 39.73 FEET AND 6) NORTH 00° 18' 22" WEST 2.18 FEET; THENCE FROM SAID POINT OF BEGINNING ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 229.08 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 40° 25' 37" EAST 348.65 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 162.28 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 09° 29' 15" EAST 103.59 FEET; THENCE SOUTH 00° 13' 30" EAST 82.01 FEET; THENCE SOUTH 89° 48' 38" WEST 553.96 FEET; THENCE NORTH 50° 06' 01" WEST 101.62 FEET; THENCE NORTH 12° 16' 19" WEST 66.24 FEET; THENCE NORTH 77° 37' 26" WEST 159.12 FEET; THENCE SOUTH 85° 12' 55" WEST 55.32 FEET; THENCE NORTH 60° 16' 35" WEST 73.55 FEET; THENCE SOUTH 88° 52' 51" WEST 38.83 FEET; THENCE NORTH 09° 20' 45" WEST 140.73 FEET; THENCE NORTH 80° 57' 50" EAST 747.87 FEET TO THE POINT OF BEGINNING.

**ESTOPPEL**

of

California Exposition and State Fair

February 22, 2008

California Exposition and State Fair, an independent entity of the State of California, as landlord ("Cal Expo or Landlord") under that certain Amended and Restated Lease, dated December 30, 1999, by and between Landlord and Premier Waterworld Sacramento, Inc., as tenant; tenant's interest under which was subsequently assigned to Festival Fun Parks, LLC ("Palace Entertainment"), a Delaware limited liability company and wholly-owned subsidiary of Palace Entertainment Holdings, Inc., a Delaware corporation, on March 9, 2007, causing Cal Expo and Palace Entertainment to execute an Amended and Restated Agreement dated as of March 9, 2007 (the "Agreement") relating to property located and described on Exhibit A hereto (the "Premises"), hereby certifies that, to the best of Cal Expo's knowledge:

- (a) Cal Expo is the landlord or owner of the Premises under the Agreement;
- (b) the Agreement is in full force and effect;
- (c) the Agreement has not been modified, altered or amended;
- (d) Cal Expo's interest in the Agreement and the Premises has not been assigned or encumbered, except as reflected in the county or other appropriate recording office for the Premises;
- (e) there is no defense, offset, claim or counterclaim by or in favor of Cal Expo against Palace Entertainment under the Agreement or against the obligations of Cal Expo under the Agreement;
- (f) no notice of default has been given under or in connection with the Agreement which has not been cured, and Cal Expo has no knowledge of any occurrence of any other default (or circumstances that with notice or the passage of time would constitute a default) under or in connection with the Agreement;
- (g) Palace Entertainment is in possession of the Premises;
- (h) the rights of Palace Entertainment under the Agreement have not been assigned to anyone;
- (i) Palace Entertainment is current in the payment of all rent and other sums due under the Agreement; and
- (j) the Agreement expires on December 31, 2015, and Palace Entertainment has, pursuant to the Agreement, an option to extend the Agreement for an additional ten (10) years.

[Remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, Cal Expo has executed this Estoppel as of the date first above written.

CALIFORNIA EXPOSITION AND STATE FAIR,  
an independent entity of the State of California

By: \_\_\_\_\_  
Name: Norbert J. Bartosik  
Title: General Manager/CEO

COUNTY OF \_\_\_\_\_)

\_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

[seal]

**ESTOPPEL**

of

California Exposition and State Fair

February \_\_, 2008

California Exposition and State Fair, an independent State entity, as landlord ("Landlord") under that certain Amended and Restated Lease, dated December 30, 1999, by and between Landlord and Premier Waterworld Sacramento, Inc., as tenant, tenant's interest under which was subsequently assigned to Festival Fun Parks, LLC ("Lessee") on March 9, 2007, causing Landlord and Lessee to execute an Amended and Restated Lease dated as of March 9, 2007 (the "Lease") relating to property located and described on Exhibit A hereto (the "Premises"), hereby certifies that, to the best of Landlord's knowledge:

- (a) Landlord is the landlord or lessor under the Lease;
- (b) the Lease is in full force and effect;
- (c) the Lease has not been modified, altered or amended;
- (d) Landlord's interest in the Lease and the Premises has not been assigned or encumbered, except as reflected in the county or other appropriate recording office for the Premises;
- (e) there is no defense, offset, claim or counterclaim by or in favor of Landlord against Lessee under the Lease or against the obligations of Landlord under the Lease;
- (f) no notice of default has been given under or in connection with the Lease which has not been cured, and Landlord has no knowledge of any occurrence of any other default (or circumstances that with notice or the passage of time would constitute a default) under or in connection with the Lease;
- (g) Lessee is in possession of the Premises;
- (h) the rights of Lessee under the Lease have not been assigned to anyone;
- (i) Lessee is current in the payment of all rent and other sums due under the Lease; and
- (j) the Lease expires on December 31, 2015 and Lessee has, pursuant to the Lease, one renewal period of 10 years to extend the Lease.

[Remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF, Landlord has executed the Estoppel as of the date first above written.

CALIFORNIA EXPOSITION AND STATE FAIR,  
an independent State entity

By: \_\_\_\_\_  
Name:  
Title:



STATE OF CALIFORNIA                    )  
  )ss.  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, before me, (here insert name and title of the officer) \_\_\_\_\_  
\_\_\_\_\_ personally appeared \_\_\_\_\_  
\_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the  
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted,  
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

[seal]

## Termination and Release Agreement

This Termination and Release Agreement (Termination Agreement) is made by and between CALIFORNIA EXPOSITION & STATE FAIR ("Cal Expo"), an independent entity of state government and SACRAMENTO HARNESS ASSOCIATION ("SHA"), a California non-profit corporation.

### Recitals

- A. **Whereas**, on February 8, 2005, Cal Expo and SHA entered into Agreement No. 04-943 ("Agreement"), which provides for SHA to manage, maintain, operate, and conduct harness racing under certain terms and conditions on the racing facilities of Cal Expo.
- B. **Whereas**, Cal Expo and SHA amended the Agreement; namely (Amendment Number 1-September 1, 2005) SHA would conduct the State Fair Harness Race Meet, pay Cal Expo additional rent, and make certain capital improvements to the Satellite Wagering Facility; (Amendment Number 2-July 20, 2006), SHA would conduct the State Fair Harness Race Meet and the additional race dates that were awarded by the California Horse Racing Board (CHRB) to Cal Expo and pay Cal Expo additional rent; and (Amendment Number 3-May 22, 2006) that SHA, citing economic hardship and changed circumstances, was granted a rent reduction in year three of the Agreement by Cal Expo from \$3.7 million to \$2.1 million.
- C. **Whereas**, in December 2007, the CHRB, as part of its licensing process, required SHA to provide certain audited financial statements; to post a \$500,000 letter of credit; and to seek a rent reduction from Cal Expo in order to secure a license to conduct harness racing at Cal Expo for race meets occurring between December 2007 through August 2, 2008. In accordance with CHRB's requirements, on or about January 25, 2008, Cal Expo agreed, pursuant to SHA's request, to reduce the annual rent payment from \$2.1 to \$1.8 million.
- D. **Whereas**, on January 16, 2008, the CHRB issued SHA a conditional license to conduct harness racing meets at Cal Expo through March 30, 2008. The CHRB will consider an extension of SHA's license on February 28, 2008, conditioned on SHA providing CHRB with an audited financial statement for 2007 showing a positive net worth, a \$400,000 letter of credit to cover potential liabilities, a business plan for future operations, and other documentation showing SHA is operating at a profit.
- E. **Whereas**, on or about February 15, 2008, SHA notified Cal Expo and CHRB that it will not satisfy the conditions required by the CHRB to obtain a license to conduct harness meets at Cal Expo beyond March 30, 2008. Accordingly, it is believed that CHRB will refuse to license SHA beyond March 30, 2008, and may take action on February 28, 2008, to revoke SHA's conditional license effective March 6, 2008.
- F. **Whereas**, the Agreement provides, in pertinent part, "If the California Horse Racing Board does not award Association [SHA] a license for racing for any meeting period, then Cal Expo may, at its option, terminate this Agreement immediately by delivering written notice to Association (SHA)." The Agreement also provides that "Cal Expo may, at its option,

terminate this Agreement upon five (5) days written notice to Association (SHA) upon the occurrence ... the California Horse Racing Board revokes, suspends, or refuses to grant the Association's (SHA) license to conduct racing at Cal Expo or in California during the term of this Agreement."

- G. **Whereas**, based on the foregoing recitals, it is the parties intent to enter into this Termination Agreement wherein Agreement No. 04-943, and the amendments thereto, shall be terminated, that all issues between the parties shall be resolved, and that each party shall release the other from any and all liability, other than the terms set forth herein.

**Now therefore**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Termination: The Agreement No. 04-943 between Cal Expo and SHA is terminated effective March 6, 2008.

2. Release of the Parties:

a. Release of Cal Expo: SHA hereby forever releases and discharges Cal Expo, and its members, officers, directors, managers, agents, licensees, brokers, servants, partners, principals, affiliates, employees, attorneys, insurers, predecessors and assigns and assignors, jointly and severally, from any and all claims of whatsoever character, nature and kind, in law or in equity, claimed or alleged in any of the matters directly or indirectly related to or in connection with the Agreement and SHA's use and occupancy of the Leased Premises or any other dealings between the Parties as of the effective date hereof, save and except only the obligations and liabilities created and preserved by this Termination Agreement.

b. Release of SHA: Cal Expo hereby forever releases and discharges SHA and its members, officers, directors, managers, agents, licensees, brokers, servants, partners, principals, affiliates, employees, attorneys, insurers, predecessors and assigns and assignors, jointly and severally, from any and all claims of whatsoever character, nature and kind, in law or in equity, claimed or alleged in any of the matters directly or indirectly related to or in connection with the Agreement and SHA's use and occupancy of the Leased Premises or any other dealings between the Parties as of the effective date hereof, save and except only the obligations and liabilities created and preserved by this Termination Agreement.

3. Waiver of Code of Civil Procedure section 1542: It is the intention of the Parties that the

foregoing releases shall include, but not be limited to, any and all indebtedness, promises, and representations incurred or made by SHA, namely; to Christo Bardis and any other person or entity, any contracts between SHA and other entities, including but not limited to, the harness horseman, unions, purchase agreements, and SHA employees, contractors, and agents. It is understood that this release is be effective as a bar to all claims of whatsoever character, nature and kind, known or unknown, suspected or unsuspected, and in furtherance of this intention, each party expressly waives any and all rights and benefits conferred upon such party by the provisions of Code of Civil Procedure section 1542, which are as follows:

*A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.*

Each party hereby acknowledges that the foregoing waiver of the provisions of Code of Civil Procedure section 1542 was separately bargained for; each party expressly consents that this release shall be given full force and effect in accordance with each and all of its express terms and provisions, including those terms and provisions relating to unknown and unsuspected claims, demands and causes of action, if any, to the same effect as those terms and provisions relating to any other claims, demands and causes of action herein above specified.

4. Disputed Claims: In addition to CHRB's action not to grant a racing license of SHA, SHA acknowledges that as of the effective date of this Termination Agreement, SHA has not fully satisfied its payment of rent to Cal Expo in accordance with the terms of the Agreement. In satisfaction of this rental obligation, SHA agrees to pay the sum of \$ \_\_\_\_\_ on or before the effective date of this Termination Agreement and shall transfer ownership and possession of the following personal property to satisfy this obligation: \_\_\_\_\_.

This Termination Agreement represents the good faith settlement of disputed claims and does not constitute any admission or absence of liability by either party. Each party to this Termination Agreement hereby expressly denies any liability to the other party other than those expressly set forth herein.

5. Counterparts: This Termination Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

6. Attorneys' Fees:

a. Each party to this Termination Agreement shall bear all attorneys' fees and costs incurred by

such party in connection with the negotiation of this Termination Agreement and any other related matters.

b. Should either party hereto reasonably retain counsel for the purpose of enforcing or preventing the breach of any provision hereof including, but not limited to, instituting any action or proceeding to enforce any provision hereof, for damages by reason of any alleged breach of any provision hereof, for a declaration of such party's rights or obligations hereunder or for any other judicial remedy (including the enforcement of any judgment), then, if said matter is settled by judicial determination (which term includes arbitration judicially affirmed), the prevailing party (whether at trial or on appeal) shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorneys' fees and costs for the services rendered to such prevailing party.

7. Further Assurances: The parties hereto hereby agree to execute such other documents and to take such other action as may reasonably be necessary to further the purposes of this Termination Agreement. The parties hereby acknowledge that harness racing will continue at Cal Expo after the effective date of this Termination Agreement. To provide for a more effective transition, SHA agrees to fully and reasonably cooperate with Cal Expo and any other successor entity, as well as other affected parties, to ensure that harness racing at Cal Expo will not be unreasonably affected by the circumstances that have brought about this Termination Agreement.

8. Time of Essence: Time is expressly declared to be of the essence of this Termination Agreement and of every provision hereof in which time is an element.

9. Governing Law: This Termination Agreement has been negotiated and entered into in the State of California, and shall be governed by, construed and enforced in accordance with the jurisdiction and internal laws of the State of California. Further, it is agreed by the parties that for purposes of this Termination Agreement, and any enforcement thereof, that jurisdiction and venue shall be in the Superior Court of the County of Sacramento, California.

10. Benefit and Burden: This Termination Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, representatives, successors and assigns.

11. Severability: In the event that any condition or covenant contained in this Termination Agreement is held to be invalid or void by any court of competent jurisdiction, such condition or covenant shall be deemed severable from the remainder of this Termination Agreement and shall not affect any other condition or covenant contained herein. If such condition or covenant is

deemed to be invalid due to the scope or breadth, the remaining portions of such provision shall remain valid to the extent and scope permitted by law.

12. Waiver: No breach of any provision hereof can be waived unless in writing, signed by the waiving party. Waiver of any one breach of any provision hereof shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

13. Captions and Interpretations: Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Termination Agreement or any provision hereof.

14. Authority to Execute Agreement: Each individual executing this Termination Agreement on behalf of a party represents and warrants that said Termination Agreement is being executed with the full authority to sign on behalf of such party.

15. Negotiated Agreement: The Parties to this Termination Agreement acknowledge that such agreement is the result of good faith negotiations between the Parties through their respective counsel. Any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation or enforcement of this Termination Agreement.

16. Entire Agreement and Amendment: This Termination Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof, fully supersedes any and all prior understandings, representations, warranties and agreements between the Parties hereto, or any of them, pertaining to the subject matter hereof, and may be modified or amended only by written agreement signed by all of the Parties hereto.

17. Independent Advice of Counsel: The Parties hereto, and each of them, represent and declare that in executing this Termination Agreement they rely solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel, concerning the nature, extent and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing the same by any of the Parties hereto or by any person representing them, or any of them.

18. Voluntary Agreement: The Parties hereto, and each of them, further represent and declare that they have carefully read this Termination Agreement and know the contents thereof, and that they sign the same freely and voluntarily.

19. Approval: It is understood by the parties hereto that this Termination Agreement shall not be binding upon Cal Expo until it has been duly executed by Cal Expo and, if applicable, approved by the Department of General Services.

IN WITNESS WHEREOF, the Parties hereto have signed this Termination Agreement so as to make it effective March 6, 2008.

**Sacramento Harness Association**

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By: Ivan Axelrod, President

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**California State Exposition and State Fair**

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By: Norbert J. Bartosik, General Manager

**CALIFORNIA EXPOSITION STATE FAIR**  
**2008 Budget Estimate**  
**February 21, 2008**

2008 Budgeted Revenue	29,700,500	
January Parking Shortage	(43,000)	
Expo Events-5% down	(201,375)	
Harness Rent Reduction-January, February	(60,000)	
Harness Revenue 8 months @\$210,000	(1,680,000)	
Harness Revenue 8 Months Cal Expo run meet	5,754,144	
Back Pack Revenue	(135,000)	
Estimated 2008 Revenue		33,335,269
2008 Budgeted Expense	(30,503,949)	
Harness Expense-8 months Cal Expo run meet	(4,433,610)	
Eliminate Back Pack Expenses	135,000	
Estimated 2008 Expense		(34,802,559)
Estimated 2008 Loss (Before Expense Adjustments)		(1,467,290)
Proposed Adjustments-Expense Reductions		
Eliminate Market Research		40,000
Replace Full Time staff with Temp Help-Media Center		46,646
Eliminate 2 vacant budgeted positions		172,139
Reduce Capital Outlay		65,000
Savings Goals (1%-2.5% per unit)		377,523
Estimated 2008 Loss (After Expense Adjustments)		(765,982)
Budgeted 2008 Loss		(808,449)

Cal Expo Reserve @ 12/31/2007 = \$3,818,703



Steve

## 2008 Capital Outlay Projects - Adjusted

\*Revised 1/31/2008

ADA Improvements	88001	100,000.00	
Monorail	* 87002	166,000.00	
Stormwater General	88003	<del>20,000.00</del>	+ 15,000
Backflow Phase 12	88004	5,000.00	
Pre-Fair Asphalt	88005	15,000.00	
Farm Irrigation Phase 2	88006	20,000.00	
EMS System HVAC Light	* 87013	20,000.00	
Pavilion Coolers	88008	<del>10,000.00</del>	- 0 -
Renovate Elect. Vaults	88009	<del>35,000.00</del>	20,000
Shade Cloth Replace	88010	<del>40,000.00</del>	25,000
Rebuild Retaining Wall	88011	60,000.00	
Purchase RR Trailers	87023	24,000.00	
Build Show Bag Building	88012	<del>54,000.00</del>	- 0 -
Hand Wash Stations	88013	10,000.00	
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Lagoon Pizza Deck Rep	88016	7,000.00	
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Repave L-3	88018	30,000.00	
Contingency		96,000.00	
Nextel Tower	88019		
Recarpet Administration	88020		Cancelled
budget adjustment to allotment		(100.00)	
<b>TOTAL</b>		<b>774,900.00</b>	

&lt;169,000.00&gt;

\$65,900.00

**CALIFORNIA EXPOSITION & STATE FAIR**  
**EXPENSE BUDGET 2008**  
**Proposed Savings Goals**

	PROGRAM	BUDGETED 2007	BUDGETED 2008 18 Day	Identified Savings*	Budget after Savings	Savings Goal**	Savings Goal %
1	General Manager	501,562	477,155	40,000	437,155	4,372	1%
2	Board of Directors	20,000	17,950		17,950	180	1%
3	Marketing	2,102,610	2,163,428		2,163,428	21,634	1%
4	Administration	1,014,246	1,069,451		1,069,451	10,695	1%
5	Personnel	753,866	755,957		755,957	7,560	1%
6	Business Services	486,281	474,614		474,614	4,746	1%
7	Fiscal Analysis	484,263	495,338		495,338	4,953	1%
8	Ticket Control	514,444	483,890		483,890	4,839	1%
9	Computer Operations	579,876	527,940		527,940	5,279	1%
10	Public Relations/Media Center	300,623	308,789	46,646	262,143	2,621	1%
11	Cash Control	250,400	243,678		243,678	2,437	1%
12	Expo Rentals	380,339	365,433		365,433	3,654	1%
13	Guest Services	26,320	26,758		26,758	268	1%
14	Parking/Admissions	1,159,307	1,174,360		1,174,360	11,744	1%
15	RV Park	51,690	46,629		46,629	466	1%
16	Commercial/concessions	375,402	327,140		327,140	3,271	1%
17	Entertainment	1,353,071	1,361,684		1,361,684	13,617	1%
18	Programs-420	966,796	957,052		957,052	23,926	2.5%
19	Exhibits 430	2,681,508	2,339,432	60,817	2,278,615	56,965	2.5%
20	Racing	578,088	1,590,626		1,590,626	15,906	1%
21	Law Enforcement	2,302,981	2,294,877		2,294,877	22,949	1%
22	Maintenance (Units 700-750)	5,207,981	5,281,004		5,281,004	132,025	2.5%
23	Event Services	2,259,704	2,140,761		2,140,761	21,408	1%
24	Capital Outlay	262,844	200,786		200,786	2,008	1%
25	Deferred Maintenance/Capital Improvements	1,598,000	774,900	65,000	709,900	-	0%
26	Unit 900-Agency	2,674,948	2,579,217	111,322	2,467,895	-	0%
27	<b>TOTAL EXPENDITURES</b>	<b>\$ 28,887,150</b>	<b>\$ 28,478,849</b>	<b>\$ 323,785</b>	<b>\$ 28,155,064</b>	<b>\$ 377,523</b>	

\* Unit 100 Savings-Market research

\* Unit 190 Savings-temp help instead of PFT for media center director

\* Unit 430 Savings-Executive Secretary vacant budgeted position

\* Deferred Maintenance savings-various projects

\*Unit 900 Savings - Program Manager vacant budgeted position

\*\*Some units are unlikely to meet budget goals due to minimal or no discretionary funding (Permanent Full Time Staff, Insurance etc.)but are still encouraged to try

## **CALIFORNIA EXPOSITION & STATE FAIR**

Finance & Audit Committee  
Friday, February 22, 2008  
9:30 a.m.

### **MINUTES**

#### **Committee Members Present:**

Corny Gallagher, Chair  
Director Marko Mlikotin  
Director Marilyn Hendrickson

#### **Staff Present:**

General Manager/CEO (GM)	Norb Bartosik
Deputy General Manager (DGM)	Brian May
Accounting & Finance Manager	Amy Casias
Assistant General Manager, Racing (AGM)	Dave Elliott
Assistant General Manager, Marketing & Public Relations (AGM)	Erica Manuel
Assistant General Manager, Planning & Facilities (AGM)	Steve Launey
Assistant General Manager, Programs (AGM)	Patricia Garamendi
Chief Bureau of Exhibits (CBE)	Michael Bradley
Exhibits Supervisor	Greg Kinder
Exposition Event Manager	Louise Shroder
Admissions & Parking Manager	Marcia Shell
Sponsorship Sales	Brian Honebein
Contracts Manager	Jan Risso
Recording Secretary	Linda Contreras

Chair Gallagher called the meeting to order at 9:30 a.m.

### **NEW BUSINESS**

#### **1. Monthly Financial Statements for December 2007**

Accounting & Finance Manager Casias distributed an updated budget estimate which reflects in part the impact of the termination of Sacramento Harness Association's operation and the transition of those operations to Cal Expo. A copy is attached and made part of the record.

Chair Gallagher reviewed with the Committee the updated estimate which identifies a budgeted 2008 lost of \$803,449 which is \$400,000 more than projected. Included in this estimate are expense reductions which staff is currently undertaking.

Chair Gallagher reviewed the monthly financial statement for December 2007 with the Committee.

Chair Gallagher suggested that staff identify a working line of capital should cash flow fall to an unworkable number. Loans should also be considered for new capital improvements.

Director Mlikotin asked why there was a difference in the amount of the Commercial Exhibit revenue on the State Fair Revenue Comparison report. GM Bartosik reported that it was due to the reduction in Spa exhibitors.

2. Review 2008 State Fair Goals for Future Consideration

The Committee reviewed the 2008 State Fair Goals included in the Board packet.

Chair Gallagher suggested adding to Goal # 1 the concept of improving the perception of the State Fair. Chair Gallagher believes we have an outstanding safety and crowd control record, but the public has a lousy perception of our outstanding performance.

MATTERS OF INFORMATION

1. Purchases/Contracts Requiring Board Notification

The Committee had no questions regarding the Contract/Purchases Requiring Board Notification included in the Board packet.

2. Accounts Receivable Report

Accounting & Finance Manager reviewed the Accounts Receivable Report with the Committee and reported that California Fair Services Authority will be submitting a payment. Sacramento Harness Association owes \$685,000. Sacramento County Fair is scheduled to make a payment next week.

**Motion:**

It was moved by Director Hendrickson and seconded by Director Mlikotin to accept and recommend to the Board for approval the Monthly Financial Statements for December 2007. **All in favor, motion carried.**

ADJOURNMENT

The Finance & Audit Committee meeting adjourned at 10:15 a.m.

**CALIFORNIA EXPOSITION STATE FAIR**  
**2008 Budget Estimate**  
**Februrary 21, 2008**

2008 Budgeted Revenue	29,700,500	
Janauary Parking Shortage	(43,000)	
Expo Events-5% down	(201,375)	
Harness Rent Reduction-January, February	(60,000)	
Harness Revenue 8 months @\$210,000	(1,680,000)	
Harness Revenue 8 Months Cal Expo run meet	5,754,144	
Back Pack Revenue	(135,000)	
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Eliminate Back Pack Expenses	135,000	
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Estimated 2008 Loss (Before Expense Adjustments)		(1,467,290)
Proposed Adjustments-Expense Reductions		
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Budgeted 2008 Loss		(808,449)

Cal Expo Reserve @ 12/31/2007 = \$3,818,703

**CALIFORNIA EXPOSITION & STATE FAIR**  
**EXPENSE BUDGET 2008**  
**Proposed Savings Goals**

	PROGRAM	BUDGETED 2007	BUDGETED 2008 18 Day	Identified Savings*	Budget after Savings	Savings Goal**	Savings Goal %
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25	Deferred Maintenance/Capital Improvements	1,598,000	774,900	65,000	709,900	-	0%
26	Unit 900-Agency	2,674,948	2,579,217	111,322	2,467,895	-	0%
27	<b>TOTAL EXPENDITURES</b>	<b>\$ 28,887,150</b>	<b>\$ 28,478,849</b>	<b>\$ 323,785</b>	<b>\$ 28,155,064</b>	<b>\$ 377,523</b>	

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Steve

2008 Capital Outlay Projects - *Adjusted*

\*Revised 1/31/2008

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Monorail	* 87002	166,000.00	
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Shade Cloth Replace	88010	<del>40,000.00</del>	25,000
Rebuild Retaining Wall	88011	60,000.00	
Purchase RR Trailers	87023	24,000.00	
Build Show Bag Building	88012	<del>54,000.00</del>	-0-
Hand Wash Stations	88013	10,000.00	
Raised Planters Palm Av	88014	8,000.00	
Safety Imp Rodeo Arena	88015	10,000.00	
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Repave L-3	88018	30,000.00	
Contingency		96,000.00	
Nextel Tower	88019		
Recarpet Administration	88020		Cancelled
budget adjustment to allotment		(100.00)	
<b>TOTAL</b>		<b>774,900.00</b>	

&lt;169,000.00&gt;

\$65,900.00

# **CALIFORNIA EXPOSITION & STATE FAIR**

Operations & Planning Committee  
Friday, February 22, 2008  
11:30 a.m.

## **MINUTES**

### **Committee Members Present:**

Kathy Nakase, Chair  
Director Brenda Washington Davis  
Director Rex Hime

### **Staff Present:**

General Manager/CEO

Deputy General Manager (DGM)

Assistant General Manager, Programs (AGM)

Assistant General Manager, Planning & Facilities (AGM)

Assistant General Manager, Marketing &

Public Relations (AGM)

Exposition Event Manager

Admissions & Parking Manager

Sponsorship Sales

Cal Expo Volunteer

Recording Secretary

Norb Bartosik

Brian May

Patricia Garamendi

Steve Launey

Erica Manuel

Louise Shroder

Marcia Shell

Brian Honebein

Randy Brink

Linda Contreras

### **Others Present:**

Palace Entertainment

Jessica J. Bersin

Chair Nakase called the meeting to order at 11:42 a.m.

## **NEW BUSINESS**

1. Review 2008 State Fair Goals for Future Consideration

AGM Launey updated the Committee on the progress of the 2008 State Fair Goals. AGM Launey reported on the video surveillance system. Expansion this year will include the walkway west of the Main Gate. Due to the reduction of budget funds, the Gate 12 area project will not be done this year.

## **UNFINISHED BUSINESS**

1. Review Security Surveillance Study for California Exposition & State Fair by Catalyst Consulting Group, Inc.

AGM Launey reviewed the Security Surveillance Study for California Exposition & State Fair by Catalyst Consulting Group, Inc. included in the Board packet.



Director Hime arrived at 11:48 a.m.

Chair Nakase and Director Hime asked for a breakdown on the impacts and relocating the system should a redevelopment of Cal Expo occur. Wireless technology is still inadequate at the present time.

### MATTERS OF INFORMATION

1. Expo Events January Sales Report

Louise Shroder, Exposition Event Manager, reviewed the January Sales Report included in the Board packet. Ms. Shroder reported that discussions with a San Francisco group have been held for a second location for an Octoberfest. Also, reported on the State Fair Commercial & Concessions program, the deadline for applications is March 3, 2008 and a report will be provided next month.

2. Capital Projects Status Update

AGM Launey provided an update on the Capital Projects Report distributed to the Committee. A copy is attached and made part of the record.

3. Palace Entertainment Request Regarding Festival Fun Parks, LLC Financing for Board Consideration

DGM May introduced Jennifer Bersin, legal counsel for Palace Entertainment and reviewed the Palace Entertainment Request Regarding Festival Fun Parks, LLC Financing included in the Board packet which will be presented to the Board for their approval.

### ADJOURNMENT

The Operations & Planning Committee meeting adjourned at 12:05 p.m.

Steve

2008 Capital Outlay Projects - *Adjusted*

\*Revised 1/31/2008

ADA Improvements	88001	100,000.00	
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Contingency		96,000.00	
Nextel Tower	88019		
Recarpet Administration	88020		<i>Cancelled</i>
budget adjustment to allotment		(100.00)	
<b>TOTAL</b>		<b>774,900.00</b>	

*< 119,000.00 >**\$ 655,900.00*

## **CALIFORNIA EXPOSITION & STATE FAIR**

State Fair, Agriculture & Marketing Committee Minutes  
Friday, February 22, 2008  
10:30 a.m.

### **MINUTES**

**Committee Members Present:**

Director Gil Albiani  
Director Kathy Nakase

**Committee Members Absent:**

Amparo Pérez-Cook, Chair

**Staff Present:**

General Manager/CEO (GM)  
Deputy General Manager (DGM)  
Assistant General Manager, Programs (AGM)  
Assistant General Manager, Marketing &  
Public Relations (AGM)  
Assistant General Manager, Planning & Facilities  
Admissions & Parking Manager  
Exposition Event Manager  
Sponsorship Sales  
Chief Bureau of Exhibits (CBE)  
Exhibits Supervisor  
Entertainment Coordinator  
Special Events Coordinator  
Cal Expo Volunteer  
Recording Secretary

Norb Bartosik  
Brian May  
Patricia Garamendi  
Erica Manuel  
Steve Launey  
Marcia Shell  
Louise Shroder  
Brian Honebein  
Michael Bradley  
Greg Kinder  
Paul Gillingham  
Tina Novoa  
Randy Brink  
Linda Contreras

**Other Present:**

Cultural Advisory Council

Mona Foster

Director Albiani called the meeting to order at 10:33 a.m. Chair Pérez-Cook had asked to be excused and was not present.

### **NEW BUSINESS**

1. Review for Approval Sub-Committee Recommendations of Applicants for the 2008 Cultural Advisory Council

AGM Manuel reviewed the Sub-Committee Recommendations included in the Board packet.

Director Nakase reported on the interview process and experience.

**Motion:**

It was moved by Director Nakase and seconded by Director Albiani to accept and recommend to the Board for approval the Sub-Committee Recommendations of Applicants for the 2008 Cultural Advisory Council. Discussion followed.

Cultural Advisory Council Member Mona Foster expressed a concern that all communities are not represented.

AGM Manuel distributed a breakdown of the community composition of the applicants being recommended. A copy is attached and made part of the record.

Ms. Foster does not believe that youth or seniors should be considered a culture.

Director Nakase stated that she and sub-committee member Director Pérez-Cook were diligent and objective in the decision making process. **All in favor, motion carried.**

2. Review 2008 State Fair Goals for Future Consideration

The Committee reviewed the 2008 State Fair Goals. It is recommended that goal # 7 be revised to reflect the decision to have an 18 day Fair and focus on Monday attendance.

**MATTERS OF INFORMATION**

1. Staff Reports

AGM Manuel reviewed her report included in the Board packet.

Brian Honebein, Sponsorship Sales, provided an update to the Committee.

AGM Manuel reported that the MeringCarson presentation is being tabled until next month.

AGM Manuel reported to the Committee that staff met with personnel at Universal Studios regarding a partnership for the State Fair pertaining to the Hollywood theme.

AGM Garamendi reviewed her report included in the Board packet.

CBE Bradley provided an update on his report included in the Board packet. CBE Bradley also informed the Committee that the California Grape & Gourmet is scheduled on Thursday, July 10, 2008 and the Agriculturist of the Year and Golden Bear Award applications are available and due on or before Friday, March 14, 2008.

Greg Kinder, Exhibits Supervisor, provided an update on Stage Nine Hollywood/Movies exhibit, the Designer Clothes, Handbag and Fashion exhibit and the Classic & Novelty Car/Motorcycle Show included in the Board packet.

GM Bartosik reported that the Racing Committee will be recommending to the Board that Cal Expo take over the operations of the Harness Meet now that the California Horse Racing Board is unlikely to approve Sacramento Harness Association's license application. It is expected that Cal Expo will take over on Friday, March 6, 2008.

Director Albiani reported on the State Fair Gala Committee meeting held Thursday, February 21. Costs continue to be high and revenue too low. It was recommended by staff to create new levels of sponsorships, shorten the program, change table sitting from 10 to 8 persons, improve the sound, use scholarship recipients as "host" and "hostesses". Also a new auction company has been selected.

Director Albiani suggested that the Board should be the "host" and "hostesses" and wear matching blazers to distinguish them as Board members.

#### ADJOURNMENT

The State Fair, Agriculture and Marketing Committee meeting adjourned at 11:33 a.m.

**Member**

Lynda F. Dotson  
 Rosemary Jones  
 Sunday Ogbodo  
 Mathew Franklin  
 Jerry Chong  
 Jose Reynoso  
 Inderjit Kallirai  
 Mona Foster  
 Naomi Fualau  
 Maxine Krugman  
 Natalie Raz  
 Derrell Roberts

**Community**

African American  
 African American  
 African  
 American Indian  
 Asian  
 Hispanic  
 Indian  
 Pacific Islander  
 Pacific Islander  
 Senior/Jewish  
 Slavic  
 Youth

**Applicant**

Katherine Gales  
 Sabrian LaFleur-Lintz  
 Vince Pearson  
 \*Herbert Earl Jr.  
 \*Walter Edwards  
 Osato Iredia  
 Jossda Yip  
 \*Amy Tong  
 Linda Ng  
 Vicki Beaton  
 Nenita Daquipa  
 Stephanie Nguyen  
 Karen Beebe  
 Tina LeBourveau  
 Monica Nainsztein  
 Nancy Zarenda  
 Armando Botello Sr.  
 Carolina Rojas-Gore  
 Sylvia Reyes  
 \*Rachel Rios  
 \*David Rasul  
 Mele Leger  
 Rory Kaufman  
 Shaunda Davis  
 Curtis LaMont Smith  
 Kristen Smith  
 Reggie Sears  
 \* Seeking Reappointment

**Community**

African American  
 African American  
 African American  
 African American  
 African American  
 African American  
 Asian  
 Asian  
 Asian  
 Asian  
 Asian  
 Asian/Youth  
 Caucasian  
 Chinese/Mexican/French/Disabled  
 Hispanic  
 Hispanic  
 Hispanic  
 Hispanic  
 Hispanic  
 Hispanic  
 Hispanic  
 Pacific Islander  
 Youth  
 Youth  
 Youth  
 Youth  
 Youth

**Cultural Advisory Council****2008****Member****Community**

Sunday Ogbodo	African
*Herbert Earl Jr.	African American
*Walter Edwards	African American
Rosemary Jones	African American
Lynda F. Dotson	African American
Mathew Franklin	American Indian
*Amy Tong	Asian
Jerry Chong	Asian
*David Rasul	Hispanic
*Rachel Rios	Hispanic
Jose Reynoso	Hispanic
Inderjit Kallirai	Indian
Mona Foster	Pacific Islander
Naomi Fualau	Pacific Islander
Maxine Krugman	Seniors
Natalie Raz	Slavic
Derrell Roberts	Youth
**Rory Kaufman	Youth
**Stephanie Nguyen	Youth
***Shaunda Davis	Youth
***Reggie Sears	Youth

\* Seeking Reappointment\*

\*\* Incoming

\*\*\*Alternates